



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-856]

Oil Country Tubular Goods from Mexico: Final Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The U.S. Department of Commerce (Commerce) determines that imports of oil country tubular goods (OCTG) from Mexico are being, or are likely to be, sold in the United States at less than fair value (LTFV) during the period of investigation October 1, 2020, through September 30, 2021.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Emily Bradshaw or Yang Jin Chun, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3896 or (202) 482-5760, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 11, 2022, Commerce published in the *Federal Register* its preliminary affirmative determination in the LTFV investigation of OCTG from Mexico, in which it also postponed the final determination until September 23, 2022.¹ We invited interested parties to comment on the *Preliminary Determination*. A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues

¹ See *Oil Country Tubular Goods from Mexico: Preliminary Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*, 87 FR 28808 (May 11, 2022) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

raised by parties for this final determination, may be found in the Issues and Decision Memorandum.²

Scope of the Investigation

The products covered by this investigation are OCTG from Mexico. For a complete description of the scope of this investigation, *see* appendix I.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs submitted by interested parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice as appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Verification

Commerce was unable to conduct on-site verifications of the information relied upon in making its final determination in this investigation for reasons beyond its control. However, we conducted virtual verifications in lieu of on-site verifications to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act). Specifically, Commerce conducted virtual verifications of the home market sales, U.S. sales, cost of production, and further manufacturing responses submitted by Tubos de Acero de Mexico, S.A. (TAMSA).

² See Memorandum, "Oil Country Tubular Goods from Mexico: Issues and Decision Memorandum for the Final Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Changes Since the *Preliminary Determination*

Based on our analysis of the comments received and additional information obtained since the *Preliminary Determination*, we made certain changes to the margin calculation for this final determination. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all other producers and exporters not individually investigated shall be equal to the weighted average of the estimated weighted-average dumping margins established for individually investigated exporters and producers, excluding rates that are zero, *de minimis*, or determined entirely under section 776 of the Act, *i.e.*, facts otherwise available.

In this investigation, Commerce calculated an individual estimated weighted-average dumping margin for the sole mandatory respondent, TAMSA, that is not zero, *de minimis*, or based entirely on facts otherwise available. Consequently, Commerce assigned the estimated weighted-average dumping margin calculated for TAMSA to all other producers and exporters of the merchandise under consideration, pursuant to section 735(c)(5)(A) of the Act.

Final Affirmative Determination of Critical Circumstances

In accordance with section 735(a)(3) of the Act and 19 CFR 351.206, Commerce continues to find that critical circumstances exist for all companies in Mexico. For a full description of the methodology and results of Commerce's critical circumstances analysis, *see* the Issues and Decision Memorandum.³

Final Determination

Commerce determines that the following estimated weighted-average dumping margins exist for the period October 1, 2020, through September 30, 2021:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
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³ *See* Issues and Decision Memorandum at 3-4.

Tubos de Acero de Mexico, S.A.	44.93
All Others	44.93

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of subject merchandise, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after May 11, 2022, the date of publication of the *Preliminary Determination* in the *Federal Register*. Further, in accordance with 735(c)(4) of the Act, Commerce will instruct CBP to continue to suspend liquidation of all entries of subject merchandise, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after February 10, 2022, which is 90 days before the date of publication of the *Preliminary Determination* in the *Federal Register*. These suspension of liquidation instructions will remain in effect until further notice.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), upon the publication of this notice, we will instruct CBP to require a cash deposit for estimated antidumping duties for such entries as follows: (1) the cash deposit rate for the respondent listed in the table above is the company-specific estimated weighted-average dumping margin listed for the respondent in the table; (2) if the exporter is not the respondent listed in the table above, but the producer is, then the cash deposit rate is the company-specific estimated weighted-average dumping margin listed for the producer of the subject merchandise in the table above; and (3) the

cash deposit rate for all other producers and exporters is the all-others estimated weighted-average dumping margin listed in the table above.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, Commerce will notify the U.S. International Trade Commission (ITC) of its final affirmative determination of sales at LTFV. Because the final determination in this investigation is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of OCTG no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated, all cash deposits posted will be refunded, and suspension of liquidation will be lifted. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed in the “Continuation of Suspension of Liquidation” section above.

Administrative Protective Order

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: September 23, 2022.

Lisa W. Wang,
Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of this investigation also covers OCTG coupling stock.

Subject merchandise includes material matching the above description that has been finished, packaged, or otherwise processed in a third country, including by performing any heat treatment, cutting, upsetting, threading, coupling, or any other finishing, packaging, or processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the OCTG.

Excluded from the scope of this investigation are: casing, tubing, or coupling stock containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.

The merchandise subject to this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.29.1010, 7304.29.1020, 7304.29.1030, 7304.29.1040, 7304.29.1050, 7304.29.1060, 7304.29.1080, 7304.29.2010, 7304.29.2020, 7304.29.2030, 7304.29.2040, 7304.29.2050, 7304.29.2060, 7304.29.2080, 7304.29.3110, 7304.29.3120, 7304.29.3130, 7304.29.3140, 7304.29.3150, 7304.29.3160, 7304.29.3180, 7304.29.4110, 7304.29.4120, 7304.29.4130, 7304.29.4140, 7304.29.4150, 7304.29.4160, 7304.29.4180, 7304.29.5015, 7304.29.5030, 7304.29.5045, 7304.29.5060, 7304.29.5075, 7304.29.6115, 7304.29.6130, 7304.29.6145, 7304.29.6160, 7304.29.6175, 7305.20.2000, 7305.20.4000, 7305.20.6000, 7305.20.8000, 7306.29.1030, 7306.29.1090, 7306.29.2000, 7306.29.3100, 7306.29.4100, 7306.29.6010, 7306.29.6050, 7306.29.8110, and 7306.29.8150.

The merchandise subject to this investigation may also enter under the following HTSUS item numbers: 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.39.0076, 7304.39.0080, 7304.59.6000, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, 7304.59.8070, 7304.59.8080, 7305.31.4000, 7305.31.6090, 7306.30.5055, 7306.30.5090, 7306.50.5050, and 7306.50.5070.

The HTSUS subheadings and specifications above are provided for convenience and customs purposes only. The written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
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 - Comment 1: U.S. Indirect Selling Expenses (ISE) Incurred in a Third Country
 - Comment 2: Constructed Export Price (CEP) Offset
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 - Comment 6: U.S. Inventory Carrying Costs
 - Comment 7: Affiliated Raw Material Input Purchases for Further Manufacturing (FM)
 - Comment 8: FM Yield Losses
 - Comment 9: Research and Development (R&D) Expenses
 - Comment 10: Virtual Verification
- VII. Recommendation

[FR Doc. 2022-21170 Filed: 9/28/2022 8:45 am; Publication Date: 9/29/2022]